

HD
1751
A49

MAR 25 1937

The Agricultural Situation

A Brief Summary of



Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics
United States Department of Agriculture

Subscription price, 25 cents per year; single copy, 5 cents; foreign price, 45 cents; payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

March 1, 1937

Volume 21, No. 3

IN THIS ISSUE

	Page
Farm Commodity Reviews.....	2-8
Definition of the Ever Normal Granary, <i>Henry A. Wallace</i>	9
Surplus Removal Operations of the AAA, <i>Jesse W. Tapp</i>	9
Referendums and the Tobacco Inspection Act.....	10
Rural Literature: 1936, I. Fiction, <i>Caroline B. Sherman</i>	12
Farm Real Estate Taxes in 1936: A Discussion, <i>Eric Englund</i> ...	14
Trends in Exports of Dairy Products and Butter Prices, <i>E. E. Vial</i> .	16
Foreign Trade in Farm Products in 1936, <i>Robert B. Schwenger</i> ..	18
Measures of Domestic Demand, <i>P. H. Bollinger</i>	20

LAST month brought a variety of winter episodes: floods in the central valleys, dust storms in the Wheat Belt, disastrous freezes in California. The western Wheat Belt later received a fairly good covering of snow, which helped to relieve the dust situation. On the whole the winter has been mild so far. Winter pasture has been good in many parts of the East and Middle West. Farmers have been able to "get by" with a minimum of grain feeding in these sections.

FARM INCOME: More Money in January

Farmers took in more cash from sales of crops and livestock in January than they did in January a year earlier. They also received more money from the Government than they did in January 1936. Total cash farm income for the country was about one-fifth greater than in the first month of 1936. The increase was entirely caused by higher prices since the volume of farm marketings was 6 percent smaller than in January 1936. Here are the figures:

	Income from farm marketings	Government pay- ments	Total
January 1937.....	\$626, 000, 000	\$43, 000, 000	\$669, 000, 000
January 1936.....	550, 000, 000	1, 000, 000	551, 000, 000
December 1936.....	725, 000, 000	36, 000, 000	761, 000, 000
December 1935.....	613, 000, 000	50, 000, 000	663, 000, 000

Prices of Farm Products

Estimates of average prices received by producers at local farm markets based on reports to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year average, August 1909-July 1914	February average, 1910-14	February 1936	January 1937	February 1937	Parity price, February 1937
Cotton, lb.....cents..	12. 4	12. 3	11. 0	12. 4	12. 4	16. 5
Corn, bu.....do.....	64. 2	60. 1	55. 5	100. 6	103. 6	85. 4
Wheat, bu.....do.....	88. 4	89. 2	91. 1	123. 6	124. 9	117. 6
Hay, ton.....dollars..	11. 87	12. 02	7. 57	11. 51	11. 84	15. 79
Potatoes, bu.....cents..	69. 7	66. 3	68. 4	122. 2	130. 2	92. 2
Oats, bu.....do.....	39. 9	39. 8	26. 6	52. 7	53. 7	53. 1
Beef cattle, cwt.						
dollars..	5. 21	5. 11	6. 19	6. 54	6. 48	6. 93
Hogs, cwt.....do.....	7. 22	7. 12	9. 34	9. 40	9. 19	9. 60
Chickens, lb.....cents..	11. 4	11. 1	16. 9	13. 4	13. 6	15. 2
Eggs, doz.....do.....	21. 5	23. 7	23. 8	23. 1	20. 1	29. 2
Butter, lb.....do.....	25. 5	26. 6	30. 2	31. 1	30. 2	34. 4
Butterfat, lb.....do.....	26. 3	27. 4	34. 9	34. 3	33. 9	35. 7
Wool, lb.....do.....	17. 6	18. 5	25. 6	31. 3	31. 6	23. 4
Veal calves, cwt.						
dollars..	6. 75	6. 77	8. 58	8. 62	8. 21	8. 98
Lambs, cwt.....do.....	5. 87	5. 95	8. 31	7. 92	8. 12	7. 81
Horses, each.....do.....	136. 60	137. 00	94. 80	96. 30	99. 40	181. 70

¹ Adjusted for seasonality.

DEMAND: Favorable Outlook

Demand for farm products looks good for the next few months. Strikes and floods put a temporary crimp in the steady rise of business during January, but already the effect of these setbacks is passing. Pay rolls in leading manufacturing industries (and presumably consumer incomes in general) have been moving up along with the rise in business activity. This is especially important to farmers who sell eggs, milk, vegetables, livestock, and other products which go directly into retail channels and are not exported in large quantities.

The foreign demand outlook hasn't changed much recently. Business is picking up abroad as it is in the United States. But there is no corresponding pick-up in demand for farm products because of the numerous trade restrictions. No immediate increase in foreign trade is in the picture.

FARM EMPLOYMENT: Increase in January

Farmers increased their hired help in January, according to estimates of crop reporters, and there were more hired hands employed on February 1 than on January 1. The number of hired hands also exceeded the February 1, 1936 figure.

COTTON: Mills Are Active

Encouraging to cotton growers are continued reports of high mill activity and cotton consumption in nearly all important cotton manufacturing countries. Encouraging also, in view of the low exports

of the late summer and fall, is the fact that cotton exports in January about equaled exports for that month a year earlier. Partly because of these factors and partly because of relatively small supplies of cotton available for marketing, cotton prices have continued strong in recent weeks. Spot prices of Middling $\frac{3}{8}$ inch averaged 12.84 cents per pound at 10 markets in January and 12.90 cents per pound for the week ended February 13.

The domestic supply of American cotton available for market between now and next harvest depends partly on how much of the Government stock is released. Here are some important figures showing total supplies, Government holdings, and stocks of so-called "free" cotton (not held by the Government) in the United States:

	Millions of bales		
	Total supply	Government holdings	"Free" cotton
January 31, 1936.....	10. 7	5. 1	5. 6
January 31, 1937.....	10. 3	3. 0	7. 3

From these figures it may be seen that the present supply available for marketing is larger than it was a year ago, because Government holdings are less. But during the first 7 months of 1936 the Government released a large amount of its cotton—about 2 million bales. This year it is uncertain how much will be released. The Commodity Credit Corporation has announced that it will sell back the cotton it has taken in on loans to producer-borrowers at small price concessions—so long as the average price at the 10 spot markets is 12.75 cents a pound or higher. This proposition is good between February 1 and April 1. Requests to release about 250,000 bales had been received by February 18.

If not much of this Government cotton is released, the total supply of cotton for marketing between now and the next harvest may not be much greater than it was a year ago. And if mill activity and exports do not drop off sharply, perhaps the carry-over of "free" cotton at the end of the season will be even smaller than the small carry-over in the summer of 1936.

TOBACCO: Higher Prices

Tobacco growers have generally received higher prices for their 1936 crops than they did for their production of the previous year. Prices for some types, particularly Burley, were much higher. Reduced supplies of tobacco and increased demand for tobacco products both helped to raise prices.

Consumption of cigarettes increased 13.8 percent; cigars, 7.2 percent; manufactured tobacco, 1.8 percent; and snuff, 5.6 percent in 1936 over 1935. Further increases are probable this year. Exports of most tobaccos decreased in 1936, foreign sales of flue-cured (most important export type) dropping 3.2 percent. Increases in tobacco acreages are in prospect this year because of the high prices for the 1936 crop.

FRUITS: California Freeze

The big news in the fruit industry last month was the freezing weather in California which greatly reduced the citrus crops in that important citrus State. Estimates made early in February place the Nation's orange production for the 1936-37 crop year below the 1935-36 production and below the 1928-32 average crop. Navel and miscellaneous orange production has been cut about one-fourth since January 1, and the Valencia crop has been reduced by 40 percent.

The reduction in California Navels is partially offset by an unusually large Florida crop, so supplies of oranges until late spring will be only about 15 percent smaller than those of last year. The big reduction in Valencias indicates short supplies during the summer and fall. Orange prices will probably average higher in the remainder of the year than they have to date.

Lemon production was also cut sharply by the freezes and prices are expected to rise in the remainder of the winter and spring. Grapefruit production in California and Arizona has been reduced by the cold weather. But these States are not important in the total United States production. The 1936-37 grapefruit crop will be the largest on record. Carlot shipments to date have been 50 percent greater than a year earlier. Prices will continue low.

Apple prices have been higher during recent months than in any similar period since 1930-31. The movement of apples into storage is usually completed by December 1, so that storage stocks on that date indicate the total supply available for the winter and spring months.

Last December 1 there were 26½ million bushels of apples in storage, one-fifth less than a year earlier. Movement out of storage was large in January and storage supplies February 1 totaled 17.4 million bushels compared with 24.7 million bushels a year earlier. Prices will probably rise more than usual in the next few months.

TRUCK CROPS: Late California Harvest

California truck crop growers, like fruit men, suffered from the freezing weather in January. Practically all truck crops were damaged and some fields will have to be replanted. In all cases harvest will be retarded. On the other hand, acreages of truck crops in the Southern States are larger than in 1936 and shipments to date have been larger than they were in early 1936. The decrease in the California crop will be about offset by increased southern production.

Shipments of vegetables to the United States from Cuba, Puerto Rico, and Mexico probably will be smaller than they were last year. Acreages are larger, but heavy rains in Cuba and Puerto Rico and low temperatures in Mexico have lowered yields and quality of the crops.

The large cabbage crop in Southern States moved to market earlier than usual and prices were lower in January than in that month a year ago. Prices are expected to about hold present levels during the next month or two. Onion prices went up 15 to 25 cents per 50-pound sack during late January and early February in spite of the large stocks of late onions in warehouses. Estimates place acreage of early onions this year about 30 percent below last year's large acreage.

POTATOES: Short Supplies

Potato supplies for the first half of 1937 will be the smallest since 1930 if the early crop in the Southern States is about as is expected. Average weather conditions would bring early potato growers a crop of about 26 million bushels. Stocks of old potatoes in country warehouses totaled about 78 million bushels on January 1. This makes a total supply for the first half of 1937 of 104 million bushels. Last year 125 million bushels were available in that period.

With small potato supplies in prospect and increasing consumer buying power, potato prices are expected to advance until the early crop starts moving in April and to average higher for the first half of the year than in the first half of 1936.

Reports from growers January 1 indicated that total potato acreage would increase 12 percent in 1937 over 1936. Seed potatoes will be short and high priced at seeding time, however, so that acreage will probably not increase that much.

WHEAT: Short World Supplies

The wheat situation is still dominated by short world supplies, potent world demand. Active European buying lifted both world and American prices in the first half of February in spite of heavy shipments from below the Equator. World prices will probably begin to rise in late March as they usually do when Southern Hemisphere shipments begin to taper off.

American prices have been above world prices this season, but if winter wheat crop prospects are good in late April, and if spring wheat seedings seem to be in good shape, our prices may drop compared with world prices. Extensive freezing and thawing of winter wheat would strengthen both world and American prices.

FLAXSEED: Large Argentine Crop

Flaxseed prices will probably weaken in the next few weeks, if present indications of the Argentine crop are borne out by later developments. High American prices (1936 crop 45 percent below 1935) have brought increasing Argentine shipments during past 6 months. Crushing demand is strong because of favorable outlook for building—more paint, more linseed oil.

FEED GRAINS: Steady Prices

Feed grain prices are expected to continue steady in the next few weeks, as they have been for the past 5 months. Corn, oats, barley prices all rose with wheat the second week in February.

The January 1 livestock inventory makes it possible to recheck the supply of feed grains per animal on the basis of final estimates of crop production for 1936. These figures represent the supply available for feeding after October 1 of the years given. Following are the estimates in tons per animal unit:

1936-37.....	.62
1935-36.....	.88
1934-35.....	.61
1928-32 average.....	.86

Imports of corn for the last 3 months of 1936 were nearly 19 million bushels, much larger than imports during the same period following the 1934 drought. Argentine crop is expected to be large, and imports may increase sharply after this crop becomes available in April.

Livestock on Farms, January 1

	Cattle and calves	Cows and heifers 2 years old and over, kept for milk ¹	Hogs	Sheep and lambs	Horses and mules
	Thousand head	Thousand head	Thousand head	Thousand head	Thousand head
1930.....	61,003	23,032	55,705	51,565	19,124
1931.....	63,030	23,820	54,835	53,233	18,468
1932.....	65,770	24,896	59,301	53,974	17,812
1933.....	70,214	25,936	62,127	53,075	17,337
1934.....	74,262	26,931	58,621	53,713	16,997
1935.....	68,529	26,069	39,004	52,245	16,683
1936.....	67,968	25,439	42,837	52,022	16,319
1937.....	66,676	25,041	42,774	52,576	16,130

¹ Included in "Cattle and calves."

HOGS: Heavy Storage Stocks

Hog prices usually rise from late January or early February until about mid-April as marketings decrease. The normal upturn is being boosted this year by increasing demand for pork but is held back by heavier-storage holdings of pork and lard. Any rise occurring between now and April will probably be small. Normally, this late winter rise is followed by a downturn carrying into midsummer as farmers market the bulk of their late summer and fall pigs.

In the spring of 1935, farmers didn't have many fall pigs to market because of the 1934 drought—so prices didn't make the usual spring drop. This year is something like 1935—in that it follows a severe drought—but the fall pig crop of 1936 was considerably larger than the 1934 crop. Some spring decline in prices is probable. But not a big decline.

If the corn crop looks good in June, farmers will probably breed as many sows as possible for fall farrow. This will keep a lot of packing sows off the late summer market. If consumer demand continues strong, late summer may see hog prices higher than last summer's.

CATTLE: Lots of Beef

Government inspectors in packing plants that have Federal inspection counted 867,000 head of cattle killed in those plants in January. This was the largest total for that month, with the single exception of January 1936, since 1919. Calf slaughter was the largest on record for that month. The number of cattle slaughtered was smaller than the December total but was larger than had been expected.

The decrease in cattle supplies, combined with improving consumer demand, resulted in a fairly rapid rise in prices from December to January. Choice and prime steers held their own at the end of January and early February but other grades dropped some in price.

The proportion of the better grades of grain-fed cattle in market receipts is expected to decrease in the next few months. This will

probably result in a continuation of the price rise which started in late 1936. The lower grades of cattle are also expected to rise during the first half of 1937 as they usually do at this time of year. Farmers will probably market fewer cattle during the entire year of 1937 than they did in 1936, but the total beef supply will be large and above the average for 1929 to 1933.

SHEEP: Lamb Prices Up

Farmers who will have lambs for sale in the next few months can expect prices somewhat above present levels and above prices received in that period last year. Main reasons: (1) Fewer fed lambs will be marketed than were marketed between February and April last year. This prospect is based on indications of fewer lambs on feed January 1 and poor conditions for the California lamb crop. (2) Continued strong consumer demand. (3) High wool and pelt prices.

Prices for early spring lambs will be supported by strong demand. Prospective supplies are uncertain and will depend to a considerable extent upon weather and feed conditions during the next few months.

WOOL: Strong Demand

Wool prices should about hold their own in the next few months. Supplies of American wool are short, though dealers and manufacturers have larger stocks of foreign wool than they did a year ago. Foreign supplies are low and demand is strong. Consumption of apparel wool by United States mills continues active.

DAIRY PRODUCTS: High Feed Costs

The high cost of feeding dairy cows began to show up in the production of milk in farm herds in late January and early February. Production per cow continued to be higher than in the corresponding month a year ago, and total milk production probably is higher than it was last year, although there are fewer cows of milking age. But the increase in production from January 1 to February 1 was unusually small.

As a result of the small increase in production and continued strong consumer demand, butter prices have not declined since the first of the year as they usually do.

Milk production per cow was unusually heavy during the fall and early winter because of mild weather. It is expected that farmers will not feed their herds as well as they usually do during the remainder of the feeding period because of high feed costs and that the increase in production during the next few months will be less than usual. Following are the pounds of milk produced per cow in herds kept by crop correspondents for the dates given:

Year	Jan. 1	Feb. 1	Mar. 1
1925-29 average.....	11. 78	12. 25	12. 97
1935.....	10. 68	11. 16	11. 53
1936.....	11. 27	11. 60	12. 24
1937.....	11. 80	11. 90	-----

POULTRY: Heavy Egg Production

Egg prices through the remainder of the winter are no more predictable than the weather. Mild weather in most sections has stimulated production in January and early February. Result: More than the usual decline in egg prices. The AAA has been buying eggs to soften the sharp drop in egg prices. So far it has helped prevent some of the drop in farm prices and to narrow the spread between what the farmer gets and what the consumer pays.

The poultryman's usual reaction to low egg prices (compared with feed costs) in the winter is to cut hatchings in the spring. If the AAA can hold up prices, it may encourage producers to raise more chicks this spring and thus prevent a shortage of eggs and excessively high prices next winter. Strong consumer buying power (see p. 2) will probably maintain spring egg prices above last year's prices, even though supplies will be heavier.

Poultry prices are laboring under the weight of extremely heavy storage supplies. They will probably rise less than usual in the next few months, and will average lower than the high prices of last spring. But demand is good, and consumers may take enough frozen poultry out of storage this spring to boost prices next fall to higher-than-1936 levels.

The following table shows the number of eggs laid per 100 hens and pullets of laying age in farm flocks for the dates given:

Year	Jan. 1	Feb. 1	Mar. 1
1925-34 average.....	16.5	24.2	38.4
1935.....	16.9	21.7	37.3
1936.....	19.1	24.0	32.6
1937.....	22.0	25.7	-----

Erratum.—The statement on page 2 of The Agricultural Situation, February 1937, that tenancy in Iowa increased from 47 to 59 percent should read 47 to 49 percent.

DEFINITION OF THE EVER NORMAL GRANARY

By the ever normal granary I mean a definite system whereby supplies following years of drought or other great calamity would be large enough to take care of the consumer, but under which the farmer would not be unduly penalized in years of favorable weather. During the past 7 years, weather, prices, and supplies have swung so violently from one extreme to the other that it is time for all thoughtful men and women, whether living on the farm or in town, to consider what action may be taken to promote greater stability.

Two of the most severe droughts of the past 100 years have come in the past 3 years. The lowest price for wheat in 500 years came 5 years ago. Since then we have had four exceedingly short wheat crops one after the other and the price today is four times what it was 4 years ago. I see no evidence whatever that there has been any permanent change in the climate, but it is apparent that in recent years the variability of the weather has increased.

It is proposed, therefore, to obtain adequate Federal powers under which supplies of the leading crops would be built up to normal with provision made at that point or shortly thereafter to loan the farmers cooperating in the soil conservation and ever normal granary plan an amount of money per bushel or per pound sufficient to take off the market supplies which might depress the price unduly. The amount of the loan per bushel or pound should be at a point which will be workable in the long run and which will be fair to both farmers and consumers.

To keep the Government from committing a "farm board" it will be necessary after supplies under the loan program have reached a certain point to keep the granary from running over by some practical program of production adjustment. I call this part of the ever normal granary program "storing the grain in the soil" instead of "storing it in the bin." After the consumer is adequately taken care of by the building up of certain supplies it is cheaper for the farmer, consumer, and Government alike to store additional quantities in the soil rather than in the bin. If the weather is going to be unusually violent in its swings, it is necessary for man to be unusually intelligent in meeting the problem. I believe the ever normal granary is a start.

HENRY A. WALLACE.

SURPLUS REMOVAL OPERATIONS OF THE AAA

Surplus removal has become an important part of this country's national farm policy. Most of the current removal operations are carried on with funds made available by section 32 of the amended Agricultural Adjustment Act.

Section 32 annually sets aside a sum equal to 30 percent of the previous year's customs receipts to be used by the Secretary of Agriculture for removing surpluses of farm products. Three types of operation are authorized—encouraging exports, encouraging domestic consumption, and payments in connection with normal production for domestic consumption.

Each program under section 32, therefore, has two aims. The first aim is reduction of a surplus. The second aim is to make intel-

ligent use of the product taken off the regular market. In some cases benefits are paid to exporters and the surplus is sent to foreign markets. Other surpluses are diverted to new uses. Many surpluses are bought outright and turned over to the Federal Surplus Commodities Corporation for distribution to relief agencies. Giving the commodities to people who temporarily lack money to buy them does not compete with normally marketed commodities, and it creates potential new demands. When people start earning money again they often keep buying farm products to which they became accustomed while on relief.

Surplus removal under section 32 has been especially useful in strengthening farm prices when the market has been depressed by local or temporary surpluses. Section 32 operations have had no marked tendency to raise retail prices to consumers. When farm prices reach a very low point, retail prices do not follow them down, and when farm prices are raised from these very low levels retail prices do not rise proportionately.

At the start of the fiscal year which opened July 1, 1935, the 30 percent of the customs receipts set aside amounted to about \$92,000,000. Of this amount about \$1,000,000 was used to encourage exports of walnuts, tobacco, pecans, Northwest flour, Puerto Rican coffee, and substandard prunes. Nearly \$3,000,000 went for diverting commodities to byproduct use. These commodities were peanuts, tobacco, cotton, raisins, prunes, and walnuts. About \$10,000,000 was paid for surplus commodities donated to the Federal Surplus Commodities Corporation for relief distribution. Purchases included North Pacific and soft red wheat, cotton and ticking, eggs, vegetables, and fruits. Approximately \$42,000,000 was used for cotton price adjustment payments, which gave growers the difference between the average market price on the day they sold their cotton and 12 cents a pound.

This year (1936-37) no cotton price adjustment payments are being made. The other operations are being carried on in about the same volume that they were last year. Exports of walnuts, tobacco, pecans, Northwest flour, Puerto Rican coffee, and pears are being encouraged. Diversion to byproduct use has been encouraged for pears, prunes, figs, walnuts, substandard dates, and tobacco. Purchases for relief distribution include cattle from drought areas, North Pacific wheat, sirup, eggs, vegetables, fruits, and rice.

JESSE W. TAPP.

REFERENDUMS AND THE TOBACCO INSPECTION ACT

An interesting example of the employment of the referendum principle by farmers is provided by the experience of the Bureau of Agricultural Economics under the Tobacco Inspection Act of 1936.

This act provided in part that when Federal inspection of tobacco was desired by a majority of farmers patronizing a given market, this service should be provided by the Bureau. The position of the farmers, the act further specified, should be ascertained through referendums in which each farmer, irrespective of the amount of tobacco marketed each year, would have one vote. Referendums have been held at markets in five States, Virginia, Tennessee, Ken-

tucky, South Carolina, and North Carolina. The question put in the referendums at all points follows:

"Do you favor free and mandatory inspection of tobacco under the Tobacco Inspection Act when sold at auction on the market checked above?"

Twenty-four referendums have been held. In 3 cases 99 percent of the voters favored inspection. In 17 cases 92 percent or more of the voters expressed themselves in the affirmative. In the case of Smithfield, N. C., a majority favored inspection but the affirmative vote, which was only 52.2 percent, was insufficient to carry. The act provides that at least two-thirds of the farmers taking part in a referendum shall favor inspection before the service is established. The table below shows the markets where referendums have been held, the number of eligible voters expressing themselves for and against inspection, the percent favorable to inspection, and the type of tobacco produced and marketed.

The first referendum was held March 23, 1936, and others were held in April, July, September, and November.

Referendums on Tobacco Inspection Service

Inclusive dates	Markets covered	Eligible votes—		Percent favorable	Type
		For	Against		
1936				Percent	
Mar. 23-31	Lynchburg, Bedford, Farmville, Blackstone, and Drakes Branch, Va.	2,091	194	93	Type 21.
Apr. 6-11	Springfield, Tenn.	950	34	96	Type 22.
	Clarksville, Tenn.	1,725	61	96	Do.
	Hopkinsville, Ky.	669	29	95	Do.
	Murray, Ky.	323	6	98	Type 23.
	Mayfield, Ky.	369	3	99	Do.
	Paducah, Ky.	326	7	97	Do.
	Madisonville, Ky.	375	3	99	Types 24 and 35.
	Henderson, Ky.	823	7	99	Do.
June 8-13	Lake City, S. C.	1,575	461	76.2	Type 13.
	Darlington, S. C.	386	34	92	Do.
	Pamplico, S. C.	203	29	87.4	Do.
June 23-30	Farmville, N. C.	938	77	92.2	Type 12.
	Goldsboro, N. C.	601	31	95.2	Do.
	Smithfield, N. C.	448	408	52.2	Do.
Aug. 3-8	Oxford, N. C.	1,782	114	94	Type 11 (b).
Nov. 2-6	Horse Cave, Ky.	949	31	97	Type 31.
	Cynthiana, Ky.	577	25	96	Do.
	Bowling Green, Ky.	573	28	95	Do.
	Mt. Sterling, Ky.	174	10	94	Do.

¹ Defective ballots not included.

The constitutionality of the Tobacco Inspection Act, including the referendum principle, is being tested under litigation now in court.

This case originated in October 1936 when certain of the warehousemen at Oxford, N. C., applied to the Federal district judge for a restraining order to be issued against the Secretary of Agriculture, enjoining him from enforcing the provisions of the act in the case of their warehouses. There are seven warehouses in Oxford, and the application related to four. After a preliminary hearing held at Raleigh, N. C., on November 5 a temporary injunction was granted, and on February 15, 1937, the case was called for trial at a special term of the court at Elizabeth City, N. C.

The application was based primarily upon the following contentions:

1. That the sale of tobacco at auction is intrastate in character and therefore beyond the power of Congress to regulate under the interstate commerce clause;
2. That the act was discriminatory in that its provisions are brought into operation on some markets and not on other markets;
3. That the referendum provisions in the act constitute an unlawful delegation of power.

The aspect of the case relating to the referendum principle will have an important bearing upon the evolution of "economic democracy in agriculture" which has come forward for increased attention in recent years.

RURAL LITERATURE: 1936

I. FICTION¹

Time was when the good novel built on farm life was so rare we treasured each one, and the shelf of farm-life fiction was added to slowly and as a result of real search. Today our effort is to keep up with the many that are published—every spring and every fall and all the way between.

The 1936 crop of rural fiction reflects the regional approach that is now being used in attacking so many agricultural and other problems. It did not equal the previous year, when the output in terms of number, quality, and geographical distribution set a record. Then rural economic and social problems of different periods were well reflected. But 1936 was perhaps a little above the average for the last 4 or 5 years.

In *The Old Ashburn Place*, the prize winner by Margaret Flint, the brief, dry humor and philosophy of the Ashburn farmers are essentially Yankee and their farm problem is to make a few stony acres support more and more people.

Drums Along the Mohawk, a best-seller for many months, shows what the Revolutionary War meant to the frontier farmers better than history has told it. The farmers in that pioneer area of New York were made up of people of different national origins who had staked all on hewing out little farms for themselves from the wilderness and forcing them to yield. It is preeminently a man's book, and in substance, method, and characterization it is one of the best rural novels of the year. Throughout the war, to get seed for the next crop, to save some remnant of the yield, and to protect enough of it against raids to carry the community through the winter was the primary effort of life. When the British, the Tories, and their allies among the Indians, raided, destroyed, and captured all that they could reach, these isolated and almost forgotten pioneer men and women fought for their small farms and homes and neighbors far more than they fought for any colony or nation or principle.

The Rolling Years by Agnes Turnbull is one of those slow-moving family chronicles that have been so popular of late. In an attractive way it covers three generations on a farm in western Pennsylvania. Farm problems do not play as active a part in this book as do the farm

¹ Rural Literature: 1936, II. Essays and Sketches, will appear in the April issue of *The Agricultural Situation*. III. Rural Poetry will appear in May.

and social life and the exercise of community spirit. The bonds of tradition loosen as the generations pass. The response to new ideas means the development of the family and the community along more modern country ways.

The Virginia rural story of the year is different from most rural fiction, for Margaret Self's book on *Red Clay Country* deals with the fox-hunting and horse-back-riding life of a highly specialized area. The far South is represented in retrospect in the book of the Civil War and Reconstruction Era that has swept the country—*Gone With the Wind*. Margaret Mitchell makes it very clear that one of the chief activating influences of the entire story is the big plantation called Tara.

The scene of one of the most distinctively regional books of the year is laid in Louisiana. E. P. O'Donnell's *Green Margins*, another prize winner, is an unusual and well-written story of the unusual people of mixed races and motives who dwell in a life and under a code of their own, in the lush country of the Delta where the Mississippi River meets the Gulf. Of systematically cultivated farms they know little, but their lives are wholly rural.

As usual, the Middle West comes in for the largest share of attention in the rural novels. They are of varying quality. Moving westward, there is Louise Peattie's *American Acres*, selected for mention partly because of its title, partly because of the valued rural writing of her husband, Donald Culross Peattie, and partly for its story of the hold that home acres in Illinois and a native heritage exert on one who had thought to live her life in foreign travel.

Alvin Johnson's autobiographic and affectionate novel of childhood and adolescence on the Midwest farm in *Spring Storm* attracts attention chiefly because of the distinguished writing that its author has done in other fields. No one supposed he would ever write a rural novel, but the reader gets the impression that this is one book that he felt he just had to write, sooner or later.

Then there is Burris Jenkins' *Fresh Furrow*. It is not particularly well written but it is practically a true story. A young Missouri farmer makes his way through cooperative marketing to become a local leader. His later experiences indicate the opposition that cooperative purchasing encounters. Some of the events of the depression, and the New Deal attack on them, are but thinly disguised.

Chief among the other midwestern farm novels of the year is Dorothy Thomas' *Home Place*, to which the depression sends all members of a scattered family, thereby developing many personality problems under one roof. Mildred Hart's story *Strange Harvest* is of a much earlier time in Nebraska. Harry Kemp's book called *Mabel Turner* covers the turn of the century.

Moving farther west, in George Stewart's *Reluctant Soil*, a young woman of the present day wrests a little farm from the Idaho desert for her family of children and develops and demonstrates a philosophy of life while doing it.

This year's selected list does not include the Pacific coast area, but Henry Davis' vigorous prize-winning story of Oregon, *Honey in the Horn*, of last year's crop, is still being widely read. It is another man's book, and rural to the core. Then Elaine Goodale Eastman's story of an oppressed farm woman in *Hundred Maples*, published last year, reflected, in passing, the decided differences in the restricted

farming of New England, the large-scale farming of the Middle West, and the specialty farming of the Pacific coast.

If a reader has time he can travel over rural America pretty well by means of the rural novels of 1936, and can review some important history through them, too. And the advantage of traveling over the country through these books and getting some history this way is that the reader sees the country and gets the history through the eyes and experiences of typical farm people and farm families.

The year 1937 is starting off well. Already Sophus Winther, who recently wrote *Take All to Nebraska*, has published his second story of the same Danish renters called *Mortgage Your Heart*, which shows the growing differences between immigrant parents and second and third generation Americans. It looks as though these were intended as books of a longer series. Vardis Fisher, who last year finished the last of his four autobiographical novels in quick succession, based on a stark Idaho boyhood, has just brought out a story of girlhood under somewhat similar circumstances called *April*. A new writer has appeared, Stuart Engstrand, and his book of farm problems in the Southwest, *The Invaders*, brings another region under review. These books are realistic rather than polished.

With the season of rural novels beginning so promptly this year, by both fresh and experienced workers, the final harvest should be plentiful.

CAROLINE B. SHERMAN.

FARM REAL ESTATE TAXES IN 1936: A DISCUSSION

Taxes per acre of farm real estate in the United States are again going up, after a drop of 37 percent from 1929 to 1934. That 5-year period of sharply falling prices and farm income is the only period in the past 46 years when the average tax per acre did not go up. Our present Nation-wide record does not go back of 1890. Over most of the period, higher wages and prices of goods and services have made a given amount of public services and improvements cost more. In addition, State and local governments have been called upon to do more things—schools, roads, buildings, services of many sorts—than in earlier years. When prices, wages, and income fell sharply in 1929–30 taxes per acre fell, too, as shown in the accompanying chart.

In 1934 the index of taxes joined the indexes of agricultural prosperity in the upward trend which they entered upon in 1933. The rise in these gauges that measure agricultural prosperity caused those fundamental forces which have made for higher taxes in the past—higher prices and greater demands on government—again to turn the tax trend upward.

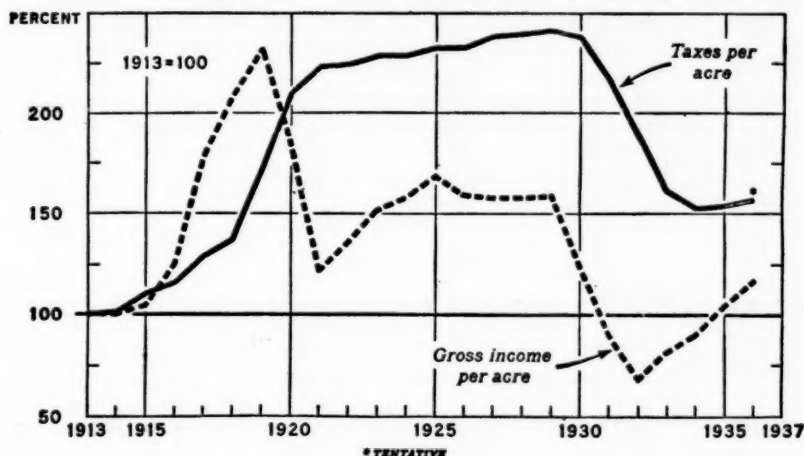
The gross income of agriculture fell from nearly 12 billion dollars in 1929 (the peak year of taxes) to 5½ billions in 1932. This huge loss of income, caused mainly by a drop in farm prices from 46 percent above to 35 percent below the pre-war level, inevitably resulted in curtailments of local expenditures. This was done by reducing the pay of school teachers and other public servants, shorter school terms in many places, stopping of building programs, and restrictions on other expenditures that were financed from real estate tax revenues. These curtailments, while necessary under the circumstances, could hardly be regarded as a source of rejoicing on the ground that taxes

were at last being reduced. For the most part they represented cuts in the standard of living of the rural community, forced on the people by the depression.

With increased farm income from 5½ billions in 1932 to more than 9 billions in 1936, forces were again released which for decades had caused public expenditures and taxes to rise. Fundamentally, these forces are based on the desire of the people, expressed through instrumentalities of popular government, that a larger amount of private income should be obtained through taxation and used for public improvements and services—education, roads, and other improvements. Thus the community standard of living is resuming its upward trend along with the increase in private living standards made possible by increased income.

The amount of the increase in farm taxes per acre that will result from more expenditures for public improvements and services depends

TAXES AND GROSS FARM INCOME PER ACRE, 1913-36



in large part on the system of taxation by which the total revenue requirements will be met in the years ahead.

The reduction in the tax per acre from 141 to 53 percent above the pre-war level reflects but does not measure the decline in total public expenditures by State and local governments. The depression has speeded up the tendency to turn to other sources of revenue, for example, the sales taxes levied in many States. While these taxes in many instances have been earmarked for relief purposes, there seems to be little evidence that they will soon be dropped from State revenue systems.

Sales taxes and other recently adopted means of raising revenue no doubt on the whole prevented real estate taxes from going as high as they otherwise would have gone, although the tax in many cases was about as high "as the traffic would bear", as shown by the sharp increase in farm tax delinquency in the depression. Sales taxes, however, even when levied to reduce the real estate tax, are not necessarily an unmixed relief to the farmer. About one-half of all agricultural land in the United States is farmed by tenants. They could hardly experience much relief when buying things on which a sales tax

has been levied to relieve real estate. Much depends on the kind of sales tax levied, the composition of the lists of things exempt and taxable, and whether the money raised by the sales tax is spent for purposes for which an attempt would have been made to get the money by the real estate tax if the sales tax had not been imposed.

All in all, there is some indication of continued and perhaps increased effort to finance by means other than the real estate tax, the many public improvements and services which in the past have been considered local and wholly dependent on the revenue from the real estate levy. This is encouraging from the standpoint of agriculture as a whole which undoubtedly has been overtaxed because of the large dependence on the property tax, which falls most heavily on real estate and other tangible property that cannot be hidden from the assessor or moved away.

This tendency to depend less on the property tax would have a better chance in the long run of benefiting the rural people, if they should insist on a higher standard of living, strongly enough to prevent the land tax reduction from being capitalized into increased land values. The present resumption in the upward trend of State and local expenditures and tax levies need not necessarily be viewed with apprehension, if the increase is made with budgetary scrutiny and other safeguards that encourage economical use of funds and that help to insure that the money is spent for those public improvements and services which are essential elements of a rising level of rural well-being.

ERIC ENGLUND.

TRENDS IN EXPORTS OF DAIRY PRODUCTS AND BUTTER PRICES

Total exports and imports of manufactured dairy products of the United States, on a milk equivalent basis, are given in figures 1 and 2.

EXPORTS OF MANUFACTURED DAIRY PRODUCTS*, MILK EQUIVALENT BASIS, 1869 TO DATE
INDEX NUMBERS (1926-30 = 100)

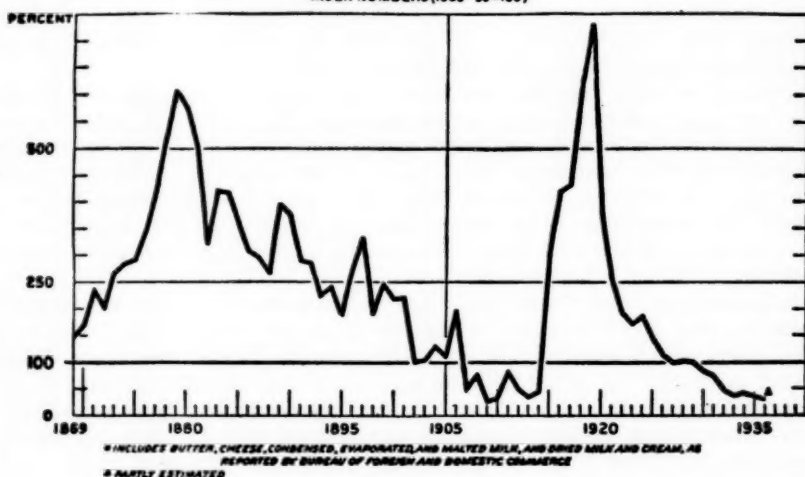


Figure 1

From 1921 to 1935 exports of manufactured dairy products from the United States declined at the rate of 12.6 percent per year, and wholesale prices of butter at New York declined at the rate of 4.4 percent per year.

In the pre-war period 1898-1914 exports declined at the rate of 11 percent per year, but prices rose at the rate of 2.9 percent per year. Exports and prices moved in opposite directions.

In the 19-year period 1879-97 exports declined at the rate of 4.5 percent per year, and the prices of butter at New York declined at the rate of 2.3 percent per year.

The 11-year period 1869-79 was one of rapid expansion in exports of dairy products from the United States. Exports increased at the rate of 13.1 percent per year, reaching a peak in 1879. During this period, however, prices of butter at New York declined at the rate of

IMPORTS OF MANUFACTURED DAIRY PRODUCTS*, MILK EQUIVALENT BASIS, 1869 TO DATE
INDEX NUMBERS (1926-30=100)

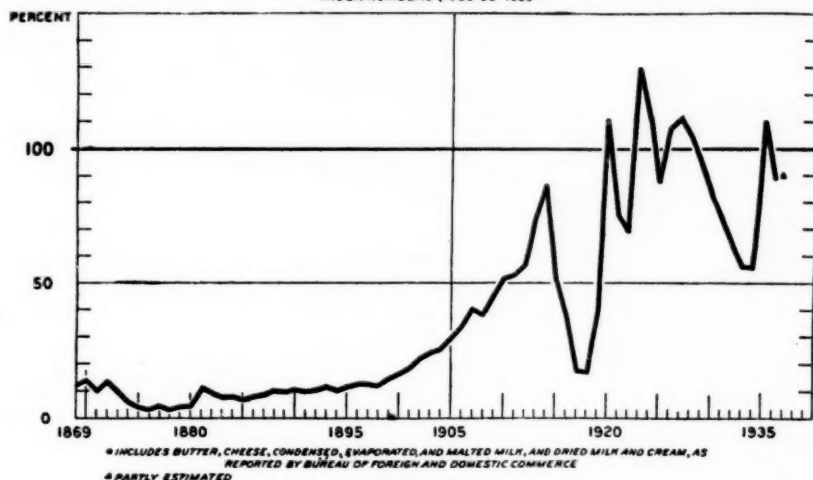


Figure 2

Annual Rate of Change in Exports of Manufactured Dairy Products (Milk Equivalent) and Butter Prices at New York City for Selected Periods 1869-1935

	Rate of change	
	Exports	Prices
	Percent	Percent
1869-79.....	+13. 11	-4. 36
1879-97.....	-4. 54	-2. 26
1898-1914.....	-11. 01	+2. 90
1921-35.....	-12. 57	-4. 42

4.4 percent per year. This was the same rate of decline in prices as in the period 1921-35 when exports were declining.

There is no consistent relationship between the trend in exports of dairy products and the trend of butter prices in the United States. The volume of exports and imports is affected primarily by the margin between domestic and foreign prices in relation to the rates of duty.

The general trend in production of manufactured dairy products in the United States has been upward. The relative importance of the foreign market as an outlet for dairy products has declined. In 1879 when the peak in exports occurred, exports were 12 percent as large as domestic production. In 1920 when the second peak in exports occurred, exports were 6 percent as large as domestic production. In the period 1926-30 exports averaged less than one-half of 1 percent as large as domestic production. This was about the same relationship between exports and production as existed in the period 1910-14.

Imports of dairy products (manufactured) have been increasing steadily since 1880. In each of the last 14 years imports exceeded exports. In the 46-year period prior to the World War, 1869 to 1914, there were only 8 years in which imports exceeded exports. Since 1923 net imports have averaged less than 1 percent as large as domestic production.

E. E. VIAL.

FOREIGN TRADE IN FARM PRODUCTS IN 1936

Our foreign agricultural trade continued during 1936 to be dominated by the effects of reduced domestic supplies and of an increasingly active industrial demand for raw materials. The general situation as regards trade barriers against our agricultural products in foreign countries was not greatly changed during the year.

The value of imports of competitive agricultural products (exclusive of sugar, which entered in reduced quantity under rigid quota restriction) rose 18 percent from 456 million dollars in 1935 to 538 millions in 1936. Leading increases were in canned beef, wheat, wool, and oils and fats, while fodders and feedstuffs continued to be imported in unusually large amounts. A measure of quantity (obtained by deflating the value figures by an index of wholesale prices of farm products published by the Bureau of Labor Statistics) shows a rise of 15 percent. As is almost always the case, the rise in competitive agricultural imports took place under the stimulus of a proportional rise (17 percent) in prices received by American farmers.

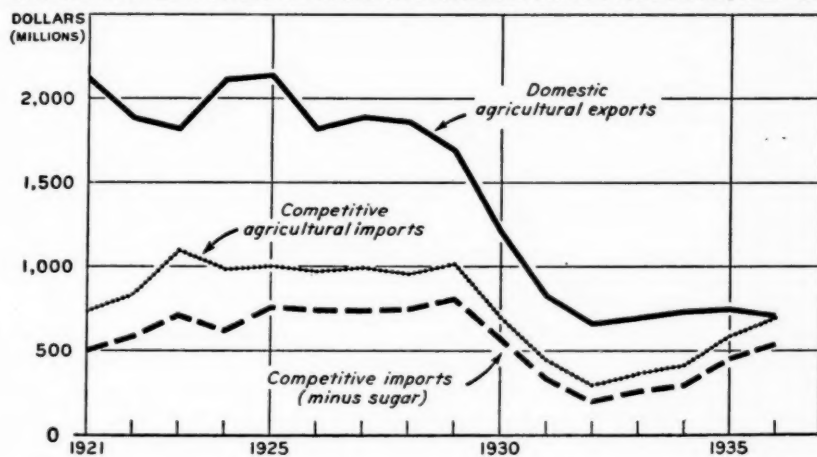
The value of exports of United States agricultural products fell 5 percent from 748 million dollars in 1935 to 709 millions in 1936, while the corresponding quantity index fell 10 percent. The greatest declines were in cotton, fruits, and meat products.

The general trends of the quantity of agricultural exports and of competitive agricultural imports other than sugar have been roughly similar during the past 15 years. Wide divergencies, such as that following wartime production conditions and that following the good crops and large carry-overs of 1931, have been explainable in terms of abnormal supply conditions. An unusually wide spread between

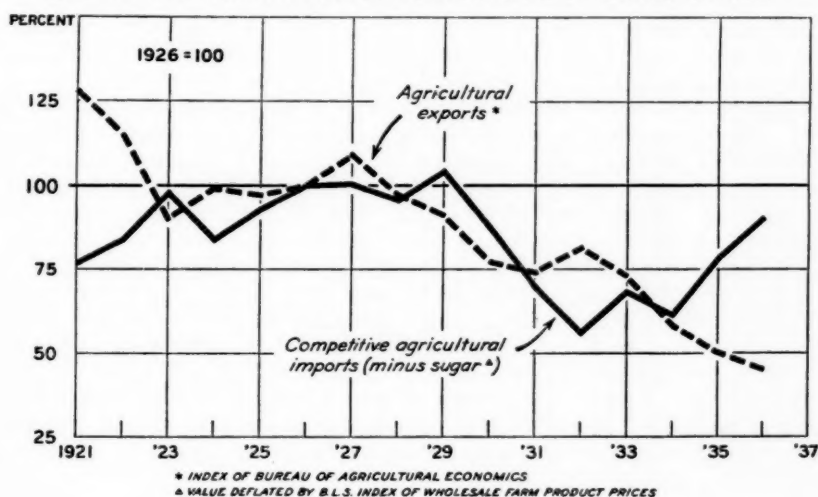
the two indexes occurred in 1935 as a consequence of the drought of the preceding year. At the beginning of 1936, there were some indications that a return toward the normal relationship was in prospect. The great drought of the summer months, however, led to an even greater divergence in 1936 than that in 1935. This spread may be expected to continue until more nearly normal weather conditions result in larger domestic supplies.

ROBERT B. SCHWENGER.

UNITED STATES FOREIGN TRADE IN AGRICULTURAL PRODUCTS, 1921-36



QUANTITY OF FOREIGN AGRICULTURAL TRADE OF UNITED STATES



MEASURES OF DOMESTIC DEMAND

[1924-29=100]

	January				Percent change		
	1929	1933	1936	1937	1936-37	1933-37	1929-37
National income (excluding farm income):							
Total.....	106.0	63.0	78.6	87.5	+11	+39	-17
Per capita.....	101.7	58.7	72.2	79.8	+11	+36	-22
Factory pay rolls:							
Total.....	104.3	40.9	75.2	92.3	+23	+126	-12
Per employed wage earner.....	101.2	63.6	84.6	93.4	+10	+47	-8
Industrial production:							
Total.....	111.0	60.7	90.5	107.3	+19	+77	-3
Factories processing farm products.....	107.8	90.9	102.1	112.5	+10	+24	+4
Other factory production.....	114.1	44.9	83.8	104.3	+24	+132	-9
Construction activity:							
Contracts awarded, total.....	99.2	18.2	51.2	54.5	+6	+199	-45
Contracts awarded, residential.....	86.9	7.2	22.4	42.1	+88	+485	-52
Employment in production of building materials.....	96.7	34.7	50.4	63.2	+25	+82	-35
Cost of living:							
Food.....	98.8	60.1	78.5	81.5	+4	+36	-18
"All other items".....	98.3	81.9	82.0	84.0	+2	+3	-15
Purchasing power of national income (excluding farm income) per capita:							
For food.....	102.9	97.7	92.0	97.9	+6	0	-5
For "All other items".....	103.5	71.7	88.0	95.0	+8	+32	-8

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

Owing largely to a sharp decline in dividend disbursements, national income, exclusive of farm income, dropped from 97.2 percent of the 1924-29 average in December to 87.5 percent in January. As compared with January 1936, nonfarm national income was up 11.3 percent. The annual gain of 1936 over 1935 amounted to 12.2 percent.

The December to January relapse in income was not due entirely to lower dividends. Factory pay rolls were off moderately, reflecting a 5 percent January to December recession in the Federal Reserve Board's seasonally adjusted industrial production index—the first in 10 months. Production in factories processing agricultural products was off 9 percent from December to January; the decline in factories using nonagricultural raw materials amounted to 2 percent.

Construction contracts awarded failed to advance further in January. However, residential building, which after several months of relapse had resumed the advance in December, was up further in January, duplicating the recovery peak reached last September. Residential building in January 1937 was 88 percent above January 1936 and six times as great as in January 1933.

Living costs, after having fluctuated within a range of one-half of 1 percent for 7 months (June to December 1936), rose 1.5 percent in January. Food and nonfood items contributed about equally to the rise. Nonfarm national income, corrected for population growth, would buy 6 percent more food in January 1937 than a year earlier and 8 percent more other items of the family budget. Per capita buying power of nonagricultural national income is still 3 percent higher in terms of foods than in terms of other living costs, compared with before the depression.

Except for several important labor disputes which are threatening, there is nothing in the near-term outlook to suggest inability of industrial workers' income to more than keep pace with rising costs, permitting continued improvement in living standards.

P. H. BOLLINGER.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	January 1936	December 1936	January 1937	Month's trend
Pig iron, daily (thousand tons)-----	65	100	104	Increase.
Bituminous coal (million tons)-----	39	44	¹ 40	Decrease.
Steel ingots (thousand long tons)-----	3, 046	4, 432	4, 737	Increase.
Cotton, by mills (thousand bales)-----	590	693	678	Decrease.
Steel corporation shipments of finished steel products (thousand tons).	721	1, 067	1, 150	Increase.
Building contracts in 37 Northeastern States (million dollars).	205	200	243	Do.
Hogs slaughtered (thousands)-----	3, 428	4, 681	3, 519	Decrease.
Cattle and calves slaughtered (thousands).	1, 371	1, 481	1, 351	Do.
Sheep and lambs slaughtered (thousands).	1, 540	¹ 573	1, 700	Increase.
Bank debits (outside New York City) (billion dollars).	17	23	20	Decrease.
Carloadings (thousands)-----	² 2, 975	2, 776	3, 317	Increase.
Mail-order sales (million dollars)-----	46	118	54	Decrease.
Employees, New York State factories (thousands).	372	423	423	Unchanged.
Average price 25 industrial stocks (dollars).	197. 67	231. 11	235. 41	Increase.
Interest rate (4-6 months' paper, New York) (percent).	. 75	. 75	. 75	Unchanged.
Retail food price index (Department of Labor). ³	133	135	138	Increase.
Wholesale price index (Department of Labor). ³	118	123	125	Do.

¹ Preliminary.² Revised.³ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price and export indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

COLD-STORAGE SITUATION

[Feb. 1 holdings, shows nearest millions; i. e., 000,000 omitted]

Commodity	5-year average, 1931-35	Year ago	Month ago	February 1937
Apples-----bushels..	¹ 21, 081	¹ 24, 675	¹ 22, 357	¹ 17, 350
Frozen and preserved fruits ----pounds..	70	75	71	62
Frozen vegetables-----do-----	-----	-----	¹ 8, 927	¹ 12, 148
40-percent cream-----40-quart cans..	¹ 84	¹ 61	¹ 144	¹ 106
Creamery butter-----pounds..	31	22	61	42
American cheese-----do-----	65	78	95	87
Frozen eggs-----do-----	56	60	52	40
Shell eggs-----cases..	¹ 197	¹ 159	¹ 651	¹ 468
Total poultry-----pounds..	113	104	188	178
Total beef-----do-----	79	104	194	181
Total pork-----do-----	617	436	667	739
Lard-----do-----	98	76	146	182
Lamb and mutton, frozen-----do-----	3	3	10	10
Total meats-----do-----	774	622	1, 003	1, 062

¹ 3 ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in ³ —			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1920.....	225	222	222	174	201	239	209
1921.....	142	203	161	141	152	150	223
1922.....	141	197	156	139	149	146	224
1923.....	147	214	160	141	152	166	228
1924.....	143	218	159	143	152	166	228
1925.....	151	223	164	147	157	168	232
1926.....	146	229	162	146	155	171	232
1927.....	139	231	159	145	153	170	238
1928.....	141	232	160	148	156	169	239
1929.....	139	236	158	147	153	170	241
1930.....	126	226	148	140	145	152	238
1931.....	107	207	126	122	124	116	217
1932.....	95	178	108	107	107	86	188
1933.....	96	171	109	108	109	80	161
1934.....	109	182	122	125	123	90	153
1935.....	117	191	124	126	125	98	154
1936.....	118	199	122	126	124	107	-----
March.....	116	198	122	119	121	-----	-----
April.....	116	195	-----	-----	121	101	-----
May.....	115	195	-----	-----	121	-----	-----
June.....	116	196	121	120	120	-----	-----
July.....	118	198	-----	-----	123	108	-----
August.....	119	202	-----	-----	126	-----	-----
September.....	119	198	123	132	127	-----	-----
October.....	119	202	-----	-----	127	110	-----
November.....	120	201	-----	-----	127	-----	-----
December.....	123	211	124	133	128	-----	-----
1937	-----	-----	-----	-----	-----	-----	-----
January.....	125	209	-----	-----	128	103	-----

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 65.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.⁵ Preliminary.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]							Prices paid by farmers for commodities ¹	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs		
1920.....	232	248	191	-----	174	198	223	211	201
1921.....	112	101	157	-----	109	156	162	125	152
1922.....	106	156	174	-----	114	143	141	132	149
1923.....	113	216	137	-----	107	159	146	142	152
1924.....	129	212	125	150	110	149	149	143	152
1925.....	157	177	172	153	140	153	163	156	157
1926.....	131	122	138	143	147	152	159	145	155
1927.....	128	128	144	121	140	155	144	139	153
1928.....	130	152	176	159	151	158	153	149	155
1929.....	120	144	141	149	156	157	162	146	153
1930.....	100	102	102	140	133	137	129	126	145
1931.....	63	63	98	117	92	108	100	87	124
1932.....	44	47	82	102	63	83	82	65	107
1933.....	62	64	74	105	60	82	75	70	109
1934.....	93	99	100	104	68	95	89	90	123
1935.....	103	101	91	127	118	108	117	108	125
1936.....	108	100	100	113	121	119	115	114	124
1937	-----	-----	-----	-----	-----	-----	-----	-----	-----
March.....	92	93	94	77	122	118	99	104	121
April.....	89	96	89	107	125	114	97	105	121
May.....	88	96	103	105	118	106	101	103	121
June.....	87	96	115	99	120	106	103	107	120
July.....	109	105	117	115	119	116	106	115	123
August.....	129	103	108	134	123	125	112	124	126
September.....	130	106	105	153	123	128	119	124	127
October.....	128	104	104	131	120	125	127	121	127
November.....	127	103	97	104	118	126	141	120	127
December.....	134	105	93	99	122	127	133	126	128
1937	-----	-----	-----	-----	-----	-----	-----	-----	-----
January.....	143	107	105	115	128	128	110	131	128
February.....	146	108	127	143	126	126	101	127	129

¹ 1910-14=100.² Preliminary.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND
GOVERNMENT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All live-stock and products	Total crops and live-stock
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935									
December.....	42	89	66	262	172	103	70	351	613
1936									
January.....	41	53	54	201	191	112	41	349	550
February.....	31	32	68	161	145	103	36	288	449
March.....	46	23	80	179	154	115	52	326	505
April.....	37	14	85	159	159	113	56	334	493
May.....	42	19	104	191	148	126	64	350	541
June.....	55	16	108	206	165	130	59	381	587
July.....	163	12	108	327	171	130	49	383	710
August.....	117	27	78	284	168	125	46	351	635
September.....	71	159	86	406	174	120	43	346	752
October.....	70	220	103	510	198	121	44	372	882
November.....	67	146	80	367	201	109	62	382	749
December.....	68	99	68	321	222	113	65	404	725
1937									
January.....	59	52	78	267	193	115	46	359	626

GOVERNMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES
OF INCOME

	Cotton	Tobacco	Wheat	Sugar and rice	Cotton price adjustment	Corn-hog	Agri. conservation program	Total
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935								
December.....	31	1	5	9		3		¹ 50
1936								
January.....	1							1
February.....								
March.....	8		5	2				15
April.....	3		14	2	5	13		37
May.....	1	1	16	1	9	31		59
June.....	1	2	11		13	30		57
July.....	1	2	4		8	9		24
August.....		1	3		3	4		11
September.....		2	2		1	1		6
October.....			16	1		2	3	22
November.....			12	1			6	19
December.....			11	2			23	36
1937								
January.....			5	1			37	43

¹ Includes \$1,000,000 to peanut growers.